

# Laundry Service

Chamak Laundry seeks to help people from bottom of the pyramid to become entrepreneurs and run kiosks that target the middle class customers.

/Vimarsh Bajpai

Akshay Mehra decided to take the entrepreneurship route after working for Proctor & Gamble (P&G) for nine years, out of which seven were with their laundry business where he was the brand manager for Ariel and Tide detergents. He later moved to India to work with Aditya Birla Retail. Mehra, the IIM-Kolkata graduate, then got in touch with Innosight Ventures, an early-stage venture incubator based out of Singapore and India. Innosight is co-founded by Harvard professor Clayton M. Christensen, who specializes in disruptive innovation. “Christensen has made a framework on how to figure out the possible disruptive innovations in the market,” says Mehra. “So for example, if you are Kodak and I, Nokia, I would think that there is a disruptive innovation possible in the market for customers who want the convenience of quick photography. And hence I would put my camera on phone, so that I don’t need two devices,” adds Mehra.

## The Idea

The core of Christensen’s message is to find out where the jobs are to be done. So Mehra picked up on this and found out that there is a “job to be done” by a subset of population that requires cleaning but has a requirement for decent quality, better than what they get from the *dhobis*. At the same time, they also don’t want to shell out Rs 100 for a single garment. “So we mapped out as to where is this job to be done and how big is this population, says Mehra. “This population tends to be



Akshay Mehra



young working adults who come to a new city and want chores like laundry to be taken care off. The other potential targets could be the housewives. So we mapped out these set of customers to whom the service could be critical and that’s where we positioned ourselves.” he adds.

## The Laundry

Once the idea was ready to take shape, the next step was to create a differentiator. Mehra says he is trying to set the benchmark of his village laundry service (VLS) versus the local washerman. Whatever the washerman does not give is what the village laundry service offers. “One thing that the washerman does not do is take care of the hygiene. Therefore at each kiosk we use an Ariel detergent or a Surf Excel, clearly visible by the customer. So you can watch your clothes being washed by a known detergent,” he adds.

The second pain point is related to time, as the washerman would come only in a cycle of five days or 15 days. VLS, on the other hand, delivers a 24-hour turnaround time. The third pain point is that the washerman could damage the clothes. “So we wash it in a front-loading washing machine, which is technically better than the top-loading machine,” adds Mehra.

## The Franchising Model

Mehra is looking at the franchising model for growth. The license fee to start a Chamak kiosk could cost anywhere between Rs1-1.5 lakh to Rs2.5 lakh depending on the number of franchises one wants. “We are trying to make this franchise model easily accessible for people who just want to take one franchise. We give discounts if people want kiosks in four or five locations,” he adds. “My intent is to get as many people such as youngsters who want to be entrepreneurs, to take this up,” says Mehra.

The investment would vary depending on the rental cost. If one owns the premises, well and good. VLS gives a ready-to-use kiosk and charges a deposit fee for that. “We give a full-fledged working kiosk. Then one can either work for oneself or hire someone to run it,” says Mehra. Everything from a washing machine to detergent supply, dryer, marketing support is all given by VLS. If the washing machine or drier breaks down, VLS would replace it within 24 hours.

## The Roadmap

Since February last year, VLS has grown from three locations to 25 today, just in Bangalore. “We are now starting up in Mumbai and Mysore. It has been a rapid growth,” says Mehra.

What about taking it to the villages? Mehra says “When we said village laundry service, our aim was to involve the bottom of the pyramid people, both as operators/entrepreneurs and as customers. For e.g., we have 41 people on our role, who till very recently did not have a job. We trained them, their salary was pittance. We have given them employment.”

As of now Mehra want to focus on Tier I cities but is looking forward to taking it to Tier II and III cities as well. □